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MATT BERRY MINES
LIMITED

(Non-Personal Liability)

Annual Report

1969

MATT BERRY MINES LIMITED

Suite 1102 — 347 Bay Street,
Toronto 1, Ontario.

(Incorporated under the laws of the Province of British Columbia)

OFFICERS

LEON F. LAPRAIRIE	-	-	-	-	-	-	-	-	<i>President & Managing Director</i>
H. T. HURLEY	-	-	-	-	-	-	-	-	<i>Vice-President</i>
L. F. LABOW	-	-	-	-	-	-	-	-	<i>Vice-President</i>
BLANDINA K. HOBAN	-	-	-	-	-	-	-	-	<i>Secretary-Treasurer</i>

DIRECTORS

ARMAND ARSENAULT	-	-	-	-	-	-	-	-	Vancouver
L. F. LABOW	-	-	-	-	-	-	-	-	Toronto
LEON F. LAPRAIRIE	-	-	-	-	-	-	-	-	Toronto
ROSS M. MACLEAN	-	-	-	-	-	-	-	-	Edmonton
ALBERT H. MANIFOLD	-	-	-	-	-	-	-	-	Vancouver

REGISTERED OFFICE

850 West Hastings Street, Vancouver, B.C.

TRANSFER AGENT AND REGISTRAR

The Royal Trust Company,
Vancouver, British Columbia.

MATT BERRY MINES LIMITED

Directors' Report to Shareholders

Accompanying this Report is submitted the Financial Statement dated March 31, 1969, with the Auditor's Report thereon, and an unaudited Balance Sheet of the Company as at November 30, 1969.

Since the first Annual Meeting of your Company further exploration has taken place on the Company's Silver-Base metal property in the Watson Lake area of the Yukon, and the Company has acquired a block of mineral claims in the Sturgeon Lake area of Northwestern Ontario.

FRANCES LAKE PROJECT — YUKON

Work Completed

In 1966 Matt Berry Mines Limited was formed and a program of hand trenching and prospecting was started in the area of surface mineralization which was followed by 1,991 feet of diamond drilling to include 13 drill holes.

In 1968, an electromagnetic EM 16 survey and a geochemical survey was carried out on a portion of the claim group which outlined a series of coincidental anomalies over a strike length of 4,500 feet. An additional 4,201 feet was drilled in 12 holes for a total of 6,192 feet.

During 1969 a geophysical field party of Seigel Associates Limited executed a Turam electromagnetic survey over approximately 500 acres which also covered the area of the previous surveys. The Turam survey shows electromagnetic response in the southeastern portion of the previously surveyed area, and coincidental to the EM 16 and geochemical anomalies yet to be tested. In the current diamond drill program a further 1,348 feet has been drilled for a total footage to date of 7,540 feet. Hole 26A has extended the indicated tonnage.

Results of Work

Two Geophysical surveys and a geochemical survey have outlined a strike length of 4,500 feet with a series of coincidental anomalies of which the most northwesterly 1,400 feet has been drilled and found to be mineralized. The most northerly 900 feet of the 4,500 feet is considered to have a potential silver-lead-zinc-antimony ore grade.

Diamond drilling to Hole No. 25 for a footage of 6,192 feet outlined an indicated tonnage of 415,500.

Due to the heavy core losses in the mineralized sections it is not possible to obtain an accurate average grade for the Matt Berry Zones and in order to arrive at as reliable figures as possible eight intersections have been chosen as probably being the most representative for grade analysis.

The first five intersections are in shallow holes with relatively good core recovery in the mineralized sections. The last three intersections were chosen because they had the best core recovery in the deeper holes. The resulting average grades are regarded as being probably indicative of the Matt Berry Zones.

Drill Hole	Width	Silver oz.	Lead %	Zinc %	Antimony %	Core Recovery
1	* 6.0'	7.10	15.27	4.84	.60	Assumed to be about 100%
2	* 6.0'	6.50	13.50	10.80	.20	Assumed to be about 100%
4	* 6.0'	2.35	6.04	1.26	.09	60%
6	* 6.0'	1.95	6.77	3.54	.54	60%
7	* 6.0'	8.94	14.80	2.58	.25	95%
23	6.0'	2.60	5.00	11.20	—	90-95%
25	6.0'	1.47	5.20	4.32	.35	90-95%
	7.0'	3.72	6.37	11.49	.91	90-95%
Average grade		4.33	9.12	6.25	.38	

Property Potential

1. Drilling and trenching completed indicate continuous mineralization in a stratiform structure over a strike length of 1,400 feet and extended at least 600 feet down a synclinal plunge. The ore grade mineralization is open to strike and depth extension and the structural trend does lend a potential for a large tonnage development.
2. The two geophysical surveys and the geochemical survey indicate the possibilities of additional mineralized zones along the strike length of 4,500 feet in which a series of anomalies remain to be tested.
3. The potential ore minerals are mainly silver-lead-zinc with varying amounts of antimony and possible minor recoverable values of copper and gold.

Planned Program

1. The immediate plan is to continue the drilling of the Matt Zone within the synclinal trough for a large tonnage development.
2. The strike length of 4,500 feet containing a series of coincidental EM 16, geochemical and Turam surveys is planned to be tested by detailed surface exploration and a follow-up of diamond drilling.

STURGEON LAKE PROJECT — ONTARIO

The Company has acquired a block of 37 mineral claims in the Sturgeon Lake area of North-western Ontario. The claim block adjoins the west side of the Mattagami Lake Mines — Abitibi Paper Co. new silver — base metals discovery group, with well known companies on the other three sides — American Metals to the north, United States Smelting and Refining to the west, and on the south boundary a second Mattagami group.

The Company has plans for a line cutting program in preparation for a geophysical survey on the ground.

COMPANY FINANCING

Through a treasury share underwriting covered by a Company Prospectus dated November 3, 1969, an initial amount of \$90,000.00 was placed in the treasury by the sale of 300,000 shares.

The continued interest and support extended by the shareholders is very much appreciated.

On behalf of the Board,

LEON F. LaPRAIRIE,
President.

December 31st, 1969.

MATT BERRY MINES LIMITED (N.P.L.)

(Incorporated under the laws of British Columbia)

Balance Sheet as at March 31, 1969

ASSETS		1969	1968
Current Assets			
Cash and short term deposits	\$	26,488.14	\$ 2,339.36
Accounts receivable		3,072.55	
		<u>29,560.69</u>	<u>2,339.36</u>
Mining properties — at cost (note 3)		79,245.00	76,650.00
Deferred Expenditure			
Exploration		174,053.42	64,744.95
Administration		41,589.59	21,470.91
		<u>215,643.01</u>	<u>86,215.86</u>
Organization expense		5,207.71	5,207.71
	\$	<u><u>329,656.41</u></u>	<u><u>170,412.93</u></u>
LIABILITIES			
Current Liabilities			
Accounts payable and accrued charges	\$	38,776.41	\$ 1,532.93
Deferred Liability			
Note payable May 31, 1969			3,500.00
SHAREHOLDERS' EQUITY			
Capital Stock (Note 1)			
Authorized: 5,000,000 shares of \$1.00 each			
Issued and fully paid:			
1969 — 1,246,505 shares		1,246,505.00	
1968 — 1,111,505 shares			1,111,505.00
Less: Discount		1,040,625.00	946,125.00
		<u>205,880.00</u>	<u>165,380.00</u>
Contributed surplus (note 2)		85,000.00	
		<u>290,880.00</u>	<u>165,380.00</u>
	\$	<u><u>329,656.41</u></u>	<u><u>170,412.93</u></u>

See notes to financial statement

Approved on behalf of the Board:

L. F. LaPRAIRIE, Director.

H. T. HURLEY, Director.

MATT BERRY MINES LIMITED (N.P.L.)

Notes to Financial Statement

March 31, 1969

1. Capital Stock

During the year ended March 31, 1969, the Company issued 135,000 shares of capital stock for \$40,500.00 cash, pursuant to management option agreements.

At March 31, 1969, issued capital consisted of:

	Shares	Capital	Discount
Issued for:			
Mining claims	750,000	\$ 750,000.00	\$ 675,000.00
Cash	446,005	446,005.00	327,750.00
Services	50,500	50,500.00	37,875.00
	<u>1,246,505</u>	<u>\$ 1,246,505.00</u>	<u>\$ 1,040,625.00</u>

At March 31, 1969, a director held an option on 15,000 shares of capital stock at 30 cents per share, exercisable on or before June 30, 1971, so long as the optionee is a director, officer or employee of the Company.

2. Contributed Surplus

Pursuant to an agreement dated August 1, 1968, as amended, the Company sold a total of 250,000 shares of capital stock for \$85,000.00 cash which amount is shown as contributed surplus. These shares had previously been issued and were donated by a shareholder of the Company for the purpose of the aforementioned financing.

3. Mining Claims

83 unpatented claims located in the Watson Lake Mining Division, Yukon Territory, consisting of:

12 claims acquired for 750,000 shares of capital stock valued by the directors at 10 cents per share	\$75,000.00
71 claims acquired by staking at cost	4,245.00
	<u>\$79,245.00</u>

AUDITORS' REPORT

We have examined the balance sheet of Matt Berry Mines Limited (N.P.L.) as at March 31, 1969 and the statements of deferred exploration expenditure, deferred administration expenditure and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at March 31, 1969 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

TORONTO, Canada,
June 4, 1969.

NEFF, GOODWIN & CO.,
Chartered Accountants.

MATT BERRY MINES LIMITED (N.P.L.)

Statement of Deferred Exploration Expenditure For the Year Ended March 31, 1969

	Balance March 31, 1968	Year Ended March 31, 1969	Balance March 31, 1969
Diamond drilling	\$ 21,788.51	\$ 34,249.89	\$ 56,038.40
Engineering fees	7,510.30	10,819.50	18,329.80
Labour	12,819.65	14,032.66	26,852.31
Equipment and supplies	6,755.64	26,509.11	33,264.75
Sampling and assaying	1,371.15	2,355.10	3,726.25
Travel and transportation	11,361.91	18,403.26	29,765.17
Board and lodgings	1,787.85	861.86	2,649.71
Sundry expense	1,349.94	2,077.09	3,427.03
	<u>\$ 64,744.95</u>	<u>\$ 109,308.47</u>	<u>\$ 174,053.42</u>

Statement of Deferred Administration Expenditure For the Year Ended March 31, 1969

	1969	1968
Head office services	\$ 4,000.00	\$ 1,200.00
Office salaries	658.64	
Office supplies and expense	2,807.79	245.44
Telephone and telex	574.79	293.94
Travel	620.91	228.48
Professional fees	9,632.48	1,465.15
Transfer agency fees	1,079.35	947.13
Shareholders' meetings and reports	236.59	557.55
Directors' fees	300.00	
Stock exchange fees	1,085.00	
Consulting fees		3,880.55
Sundry expense	149.30	36.59
	<u>21,144.85</u>	<u>8,854.83</u>
Less: Interest earned	1,026.17	
	<u>20,118.68</u>	<u>8,854.83</u>
Balance, beginning of the year	21,470.91	12,616.08
Balance, end of the year	<u>\$ 41,589.59</u>	<u>\$ 21,470.91</u>

MATT BERRY MINES LIMITED (N.P.L.)

Statement of Source and Application of Funds For the Year Ended March 31, 1969

	1969	1968
Source		
Issue of capital stock	\$ 40,500.00	\$ 6,650.00
Sale of donated shares (note 1)	85,000.00	
Interest earned	1,026.17	
Loan from another company		3,500.00
	<u>126,526.17</u>	<u>10,150.00</u>
Application		
Exploration expenditure	109,308.47	292.95
Administration expenditure	21,144.85	8,854.83
Acquisition of mining claims	2,595.00	
Payment of loan	3,500.00	
	<u>136,548.32</u>	<u>9,147.78</u>
Increase (decrease) in working capital	(10,022.15)	1,002.22
Working capital (deficiency) beginning of the year	806.43	(195.79)
Working capital (deficiency) end of the year	<u>\$ (9,215.72)</u>	<u>\$ 806.43</u>
Shares of capital stock issued for cash	<u>135,000</u>	<u>26,600</u>

MATT BERRY MINES LIMITED

Balance Sheet as at November 30, 1969

ASSETS

Current Assets

Cash	\$ 28,011.78	
Accrued interest	23.97	
Accounts receivable and advances	16,651.20	
Short term investments	25,000.00	\$ 69,686.95

Mining Properties

750,000 shares	\$ 75,000.00	
Cash	4,245.00	79,245.00

Fixed Assets

Equipment		4,300.00
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Deferred Expenditures

Exploration	\$228,486.66	
Administration	57,897.47	
Organization expense	5,207.71	291,591.84
		<u>\$444,823.79</u>

LIABILITIES

Current Liabilities

Accounts payable and accrued liabilities	\$ 11,023.79
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SHAREHOLDERS' EQUITY

Capital Stock

Authorized: 5,000,000 shares of \$1.00 each

Issued and fully paid:

	Shares	Capital	Premium	Net
Claims	750,000	\$ 750,000.00	\$ 675,000.00	\$ 75,000.00
Cash	761,005	761,005.00	548,250.00	212,755.00
Services	50,500	50,500.00	37,875.00	12,625.00
Liabilities assumed	161,400	161,400.00	112,980.00	48,420.00
	<u>1,722,905</u>	<u>\$ 1,722,905.00</u>	<u>\$ 1,374,105.00</u>	<u>\$348,800.00</u>
Contributed Surplus			85,000.00	433,800.00
				<u>\$444,823.79</u>

The Company issued 300,000 shares of capital stock for \$90,000.00 cash pursuant to a prospectus dated November 3, 1969. The Company also issued 15,00 shares of Capital stock for \$4,500.00 cash pursuant to a management share option exercised in November 1969.

MATT BERRY MINES LIMITED

Administration Expenditures

Office salaries	\$ 1,139.29
Head office services	4,500.00
Office supplies and expense	590.47
Telephone and telex	1,749.54
Licences, fees and taxes	388.38
Bank charges	17.19
Travel	821.67
Sundry expense	(3.38)
Legal and audit fees	3,052.60
Director's fees	200.00
Transfer Agency fees	1,136.88
Shareholders reports	2,225.78
Stationery and printing	317.52
Advertising	210.00
Insurance	22.90
	<hr/>
	\$16,368.84
Interest earned	(60.96)
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	\$16,307.88
Balance March 31, 1969	41,589.59
Balance Nov. 30th, 1969	<hr/>
	<u>\$57,897.47</u>

Short Term Investments

Toronto-Dominion Bank:

Deposit receipt dated Nov. 26th, 1969 due December 29th, 1969 interest @ 7% .. \$25,000.00

Approved on behalf of the Board —

L. F. LaPRAIRIE — Director

H. T. HURLEY — Director

MATT BERRY MINES LIMITED

Exploration Expenditures

	Balance June 30/69	July 1/69 to Nov. 30/69 Expenditures	Balance Nov. 30/69
Engineer's fees and services	\$ 21,315.30	\$ (47.50)	\$ 21,267.80
Wages	29,529.27	4,769.60	34,298.87
Supplies	16,670.71	988.49	17,659.20
Travel	31,446.82	2,174.90	33,621.72
Equipment rental	9,119.80	3,180.00	12,299.80
Sampling and assaying	5,273.32	—	5,273.32
Diamond drilling	58,353.40	11,381.64	69,735.04
Camp buildings and equipment	2,261.03	21.69	2,282.72
Board and lodging	552.49	363.50	915.99
Licences, fees and taxes	2,239.50	—	2,239.50
Engineer's supplies and expense	990.83	202.09	1,192.92
Insurance	448.05	—	448.05
Freight and haulage	15,471.87	3,570.18	19,042.05
Telephone	882.44	(117.15)	765.29
Contract line-cutting	3,634.00	—	3,634.00
Geophysical surveys	1,509.00	1,100.00	2,609.00
Sundry expense	853.89	347.50	1,201.39
	<u>\$200,551.72</u>	<u>\$ 27,934.94</u>	<u>\$228,486.66</u>

MATTHEW BERRY MINES LIMITED

Consolidated Financial Statements

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